

LEX VEHICLE PARTNERS (2) LIMITED

Directors' report and financial statements

For the year ended 30 June 2013

Registered number: 02953302

Registered Office:

Charterhall House
Charterhall Drive
Chester
Cheshire
CH88 3AN

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Lex Vehicle Partners (2) Limited

Directors' report and financial statements

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Lex Vehicle Partners (2) Limited

Directors and company information

Directors

C A Parkes
M F Chessman

Company secretary

P Gittins

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

Lex Vehicle Partners (2) Limited

Directors' report for the year ended 30 June 2013

The directors present their report together with the audited financial statements of Lex Vehicle Partners (2) Limited (the "Company") for the year ended 30 June 2013

Principal activities

The principal activity of the Company is vehicle leasing

Business review

There was no business activity during the year following the transfer of all the Company's vehicle assets during 2011 to Lex Autolease Limited, a fellow group company

Results and dividends

The results for the year are set out on page 7. The Company made neither a profit nor loss before taxation during the year (2012: loss before taxation of £1,000). The directors do not recommend the payment of a dividend (2012: £nil).

Key performance indicators ('KPIs')

The directors of Lloyds Banking Group plc manage the Group's operations on a divisional basis. At year end, the Company was included within the Asset Finance business unit of the Wealth, Asset Finance and International Division.

As at 30 June 2013 the Company had total assets of £3,610,000 (2012: £3,610,000).

Given that the status of the Company is non-trading, the directors do not consider analysis using KPIs is required.

Future developments

Following the transfer of vehicle assets during 2011, it is the intention of the directors for the Company to become dormant.

Risk management

Responsibility for the control of overall risk within the Company lies with the board of directors. Further information surrounding these risks can be found within note 2.

Supplier payment policy

The Company did not trade with suppliers during the current or previous year.

Directors and directors' interests

The directors who held office during the year and up until the date of signing the financial statements are shown on page 1. The following director resigned during the year:

R Francis resigned 14 June 2013

Lex Vehicle Partners (2) Limited

Directors' report for the year ended 30 June 2013 *(continued)*

Directors' indemnities

The directors have the benefit of a deed of indemnity which constitutes a "qualifying third party indemnity provision". These deeds are in force during the whole of the financial year. The indemnities remain in force at the date of signing these financial statements. Deeds for existing directors are available for inspection at the registered office of Lloyds Banking Group plc.

Statement of directors' responsibilities

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given, and should be interpreted, in accordance with Section 418 of the Companies Act 2006.

Lex Vehicle Partners (2) Limited

Directors' report for the year ended 30 June 2013 *(continued)*

Going concern

The directors are satisfied that the Company has adequate funding and resources to meet all future obligations. Consequently the going concern basis continues to be appropriate in preparing the financial statements.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006.

On behalf of the board



C A Parkes
Director

Date 5.12.13

Registered Office:

Charterhall House
Charterhall Drive
Chester
Cheshire
CH88 3AN

Lex Vehicle Partners (2) Limited

Independent auditors' report to the member of Lex Vehicle Partners (2) Limited

We have audited the financial statements of Lex Vehicle Partners (2) Limited for the year ended 30 June 2013 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's member as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2013 and of its result and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

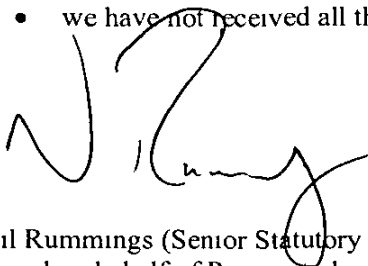
Lex Vehicle Partners (2) Limited

Independent auditors' report to the member of Lex Vehicle Partners (2) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Neil Rummings (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

Date 5 December 2013

Lex Vehicle Partners (2) Limited

Statement of comprehensive income

for the year ended 30 June 2013

	Note	2013 £000	2012 £000
Other operating expenses		-	(1)
Result/(loss) before taxation	4	-	(1)
Taxation	5	-	(44)
Result/(loss) for the year attributable to owner, being total comprehensive income		-	(45)

A reconciliation of the movement in capital and reserves can be found on page 9

The accompanying notes on pages 11 to 15 are an integral part of the financial statements

Lex Vehicle Partners (2) Limited

Balance sheet

as at 30 June 2013

	Note	2013 £000	2012 £000
Assets			
Current assets			
Trade and other receivables	6	3,610	3,610
Total current assets		<u>3,610</u>	<u>3,610</u>
Total assets		<u>3,610</u>	<u>3,610</u>
Equity and liabilities			
Current liabilities			
Current tax creditor		156	156
Total current liabilities		<u>156</u>	<u>156</u>
Total liabilities		<u>156</u>	<u>156</u>
Equity			
Share capital	7	-	-
Retained earnings		3,454	3,454
Total equity		<u>3,454</u>	<u>3,454</u>
Total equity and liabilities		<u>3,610</u>	<u>3,610</u>

The financial statements on pages 7 to 15 were approved by the board of directors on
and were signed on its behalf by

5.12.13

C A Parkes

C A Parkes
Director

The accompanying notes on pages 11 to 15 are an integral part of the financial statements

Lex Vehicle Partners (2) Limited

Statement of changes in equity

for the year ended 30 June 2013

	Share capital £000	Retained earnings £000	Total equity £000
At 30 June 2011	-	3,499	3,499
Loss and total comprehensive income for the year	-	(45)	(45)
At 30 June 2012	-	3,454	3,454
Result and total comprehensive income for the year	-	-	-
At 30 June 2013	-	3,454	3,454

The accompanying notes on pages 11 to 15 are an integral part of the financial statements

Lex Vehicle Partners (2) Limited

Cash flow statement

for the year ended 30 June 2013

	2013 £000	Restated 2012 £000
Cash flows from operating activities		
Result/(loss) before tax	-	(1)
Decrease in other receivables	-	6
Cash generated from operations	-	5
Taxes paid via group relief	-	(381)
Decrease in amounts due from group companies	-	2,687
Decrease in amounts due to group companies	-	(2,311)
Net cash generated from operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

The accompanying notes on pages 11 to 15 are an integral part of the financial statements

Lex Vehicle Partners (2) Limited

Notes to the financial statements

for the year ended 30 June 2013

1. Significant accounting policies

Lex Vehicle Partners (2) Limited is a limited liability company incorporated and domiciled in the United Kingdom

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

These financial statements have been prepared in accordance with applicable IFRSs as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRSs. IFRSs comprise accounting standards prefixed IFRS issued by the International Accounting Standards Board ("IASB") and those prefixed IAS issued by the IASB's predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and its predecessor body.

No new IFRS pronouncements relevant to the Company have been adopted in these financial statements.

Given the intention of the directors to make the Company dormant, the Company will not be impacted by future changes to accounting standards.

The financial statements have been prepared under the historical cost convention.

Going concern

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

Financial assets and liabilities

Financial assets of the Company include amounts due from other group companies.

All financial assets are initially measured at fair value.

Prior year adjustment

Further to the transfer of the Company's vehicle assets during 2011 to Lex Autolease Limited, the Company has reclassified movements in amounts due from, and amounts owed to, group companies within the cash flow statement to better reflect the nature of the underlying cash flows. 2012 comparatives have been restated to reclassify the movement in cash and cash equivalents as the movement in amounts due from, and amounts owed to, group companies. This reclassification has resulted in an increase of £376,000 in net cash generated from operating activities during 2012.

Taxation

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

Lex Vehicle Partners (2) Limited

Notes to the financial statements *(continued)*

for the year ended 30 June 2013

2. Risk management policy

Following the transfer of the Company's assets to Lex Autolease Limited in 2011, the Company's exposures to risk are minimal as the operational risks associated with those assets were also transferred

Responsibility for the control of the overall risk lies with the board of directors, operating within a managerial framework established by a fellow subsidiary company, Lloyds Bank Asset Finance Limited (formerly Lloyds TSB Asset Finance Division Limited), and the ultimate parent, Lloyds Banking Group plc

Capital disclosures

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholder through pricing products and services commensurately with the level of risk and, indirectly, to support the Group's regulatory capital requirements

The Company's parent manages the Company's capital structure and advises the board of directors to consider making adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the board of directors may adjust the amount of dividends to be paid to the shareholder, return capital to the shareholder, issue new shares, or sell assets

The Company's capital comprises all components of equity, movements in which appear in the statement of changes in equity

The Company receives its funding requirements from its fellow group undertakings and does not raise funding externally

3. Critical accounting estimates and judgements in applying accounting policies

Following the transfer of the Company's trade and assets to Lex Autolease Limited in 2011, no critical accounting estimates or judgements are required in the preparation of the financial statements

4. Result/(loss) before taxation

Audit remuneration for audit services of £3,000 (2012: £10,000) has been borne by a fellow group company in both years

The Company did not directly employ any person during the year (2012: none). As such, no employee costs have been included in the statement of comprehensive income

No director received any fees or emoluments during the year (2012: £nil). The directors are employed by other companies within Lloyds Banking Group plc and consider that their services to the Company are incidental to their other responsibilities within the Group

Lex Vehicle Partners (2) Limited

Notes to the financial statements *(continued)*

for the year ended 30 June 2013

5. Taxation

Recognised in the statement of comprehensive income

	2013 £000	2012 £000
Current tax		
Adjustments in respect of previous years	-	44
Total income tax charge on result/(loss)	-	44

Reconciliation of effective tax rate

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's result for this accounting period is taxed at an effective rate of 23.75% (2012: 25.5%).

	2013 £000	2012 £000
Result/(loss) before taxation	-	(1)
Income tax using the blended rate of corporation tax in the UK of 23.75% (2012: 25.5%)	-	-
Effects of Adjustment in respect of previous years	-	44
Total tax charge	-	44

The Finance Act 2012, which passed into law on 3 July 2012, included legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013.

6. Trade and other receivables

	2013 £000	2012 £000
Current trade and other receivables:		
Amounts due from group companies (note 9)	3,610	3,610

Lex Vehicle Partners (2) Limited

Notes to the financial statements (continued)

for the year ended 30 June 2013

7. Share capital

	2013	2012
	£	£
<i>Allotted, issued and fully paid</i>		
2 Ordinary shares of £1 each	2	2

During the year, as permitted by the Companies Act 2006, the Company removed references to authorised share capital from its Articles of Association

8. Parent undertaking

The Company's immediate parent company is Lex Vehicle Leasing (Holdings) Limited. The company regarded by the directors as the ultimate parent company and controlling party is Lloyds Banking Group plc, a limited liability company incorporated and domiciled in Scotland, which is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Bank of Scotland plc is the parent undertaking of the smallest such group of undertakings. Copies of the group financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN.

9. Related party transactions

Balances with group companies

Outstanding balances at year end with group companies are as follows

	Debtor	Debtor
	2013	2012
	£000	£000
Outstanding balances:		
Balances due from group companies	3,610	3,610

Transactions with directors and key managers

No remuneration was paid or is payable by the Company to the directors (2012: £nil). The directors are employed by other companies within Lloyds Banking Group plc and consider that their duties to this Company are incidental to their other activities within the Group.

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company. Accordingly, key management personnel comprise the directors of the Company and the members of the Lloyds Bank Asset Finance Limited Board, which comprise the statutory directors of that company and certain other senior management. Key management personnel are employed by other companies within the Lloyds Bank Asset Finance Limited sub group and consider that their services to the Company are incidental to their activities within the Group.

Lex Vehicle Partners (2) Limited

Notes to the financial statements *(continued)*

for the year ended 30 June 2013

10. Post balance sheet events

The Finance Act 2013, which passed into law on 17 July 2013, included legislation to reduce the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015